(b) The available estimates indicate that the incidence of poverty measured by the percentage of people living below the poverty line has reduced from 54.9% in 1973-74 to 26.1% in 1999-2000. There has been a decline in the unemployment rate (as percentage to labour force on the basis of Usual Principal and Subsidiary Status) from 2.62% in 1987-88 (estimated from the large sample survey of employment and unemployment conducted by the National Sample Survey Organisation in its 43rd Round) to 2.23% in 1999-2000 (estimated from the large sample survey of employment and unemployment conducted by the National Sample Survey Organisation in its 55th Round). The per capita consumption, has increased from Rs. 53 in 1973-74 to Rs. 486 in 1999-2000 in rural areas and from Rs. 71 to Rs. 855 during the same period in urban areas.

(c) and (d) The Planning Commission is in the process of formulating the Tenth Five Year Plan.

Priority to reforms and performance

2703. SHRI K.M. SAIFULLAH: Will the PRIME MINISTER be pleased to state:

(a) whether Government propose to give priority to "Reforms and Performance" for Normal Central Assistance (NCA) to States; and

(b) the action proposed to give less weightage on population for NCA and more weightage given to development of infrastructure sector and social infrastructure for the 10th Plan.

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI ARUN SHOURIE): (a) Allocation of Normal Central Assistance (NCA) for Annual Plans of States is based on the Gadgil Formula as approved by the National Development Council (NDC) in December 1991. Any change in the priority/weightage of the Formula requires the approval of the NDC. However, since the States have sought a revision of the Formula, Planning Commission has sought their views and suggestions have been received from various State Governments. However, there is vide divergence in the views amongst the States in this regard. In general, while the advanced States have sought higher weightage for performance, the less advanced States have sought higher weightage for backwardness. Hence, the Full Planning Commission in its meeting held on 27the & 29th June, 2001 discussed, *inter-alia*, the issue of revision of Gadgil Formula and in view of the divergence of the views among the State Governments and the sensitivity of this issue, it was decided that it would be necessary to discuss this further and evolve a consensus before alternatives are considered by the NDC.

(b) Does not arise.